Government of Saskatchewan

Annual Report 1983-84

Saskatchewan Economic Development and Trade

85-5243/

Table of Contents

Letters of Transmittal 2

One year of progress 2

Organization chart 3

The year at a glance 4

Investment Development Branch 5

Trade Development Branch 6

Major Projects Branch 7

Promotions and Communications Branch ... 9

Policy and Planning Branch 10

Letters of Transmittal

From the Minister

The Honourable F.W. Johnson
Lieutenant Governor of the
Province of Saskatchewan

Sir:

I have the honour to present herewith the first Annual Report for the Department of Economic Development and Trade for the fiscal year ending March 31, 1984.

Respectfully submitted,

Eric Berntson
Minister
Saskatchewan Economic
Development and Trade

From the Deputy Minister

Honourable Eric Berntson
Minister
Saskatchewan Economic
Development and Trade

Sir:

I have the honour to submit for your consideration the Annual Report for Saskatchewan Economic Development and Trade for the fiscal year ending March 31, 1984.

Respectfully submitted,

Don Moroz
Deputy Minister
Saskatchewan Economic
Development and Trade

One year of progress

Economic Development and Trade has now marked one full year of operation since it was created out of the former Department of Industry and Commerce.

The Department of Economic Development and Trade has a very clear mandate — to promote Saskatchewan's economic growth by working to:

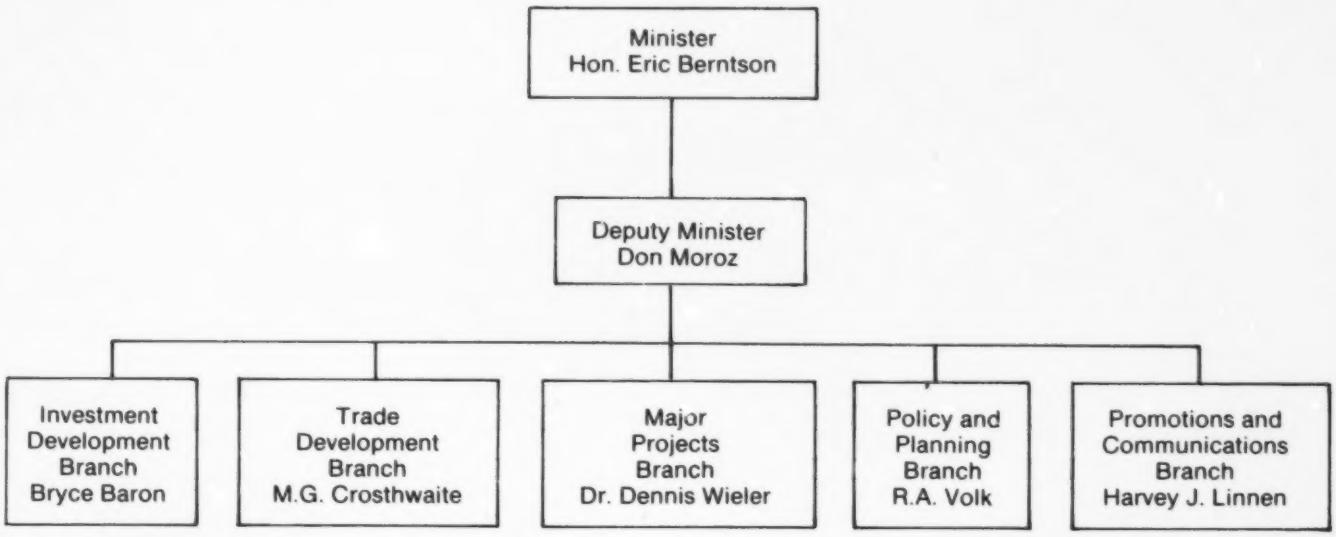
- attract investment;
- develop the province's industrial benefits from major projects;
- increase the sale of Saskatchewan products in Canada and around the world.

It's a far-reaching mandate, and the department takes pride in its expansion of policy and program activities within the nation and into the international arena.

Developing investment, promoting trade, and tapping markets in Saskatchewan are activities that are good not only for investors, exporters, and local firms — they're good for everyone in Saskatchewan. When Saskatchewan businesses can grow within a healthy economic climate, Saskatchewan people share in the benefits of jobs, opportunity and prosperity.

Organization chart

(as of March 31, 1984)



The year at a glance

- Saskatchewan Economic Development and Trade was established.
- Seventy-one employees provided a full complement of services to Saskatchewan and international clients.
- $710,000 worth of funding was provided toward market/feasibility studies.
- An investor data base, the Investor Information Service, was set up.
- 2,500 out-of-province contacts were made with potential investors.
- The department helped Saskatchewan companies participate in international trade shows and missions in the United States, Australia, Chile, Mexico, France, Germany, the Soviet Union and Canada.
- Export seminars on market opportunities in the United States and China were sponsored by the department.
- The federal/provincial Export Trade Month was held in October, and the department played a major role.
- The Aid to Trade program continued to provide financial support to Saskatchewan exporters and showed an increase of 15 per cent in the number of projects assisted.
- The Saskatchewan Promise, our flagship publication on the province's advantages as a business location, was published as a major tool to reach markets outside the province.
- The Major Project Procurement Policy was developed by the department, adopted by the provincial cabinet, and implemented.
- A new Major Project Inventory was compiled, which listed 43 Saskatchewan projects valued at over $4 billion.

Investment Development Branch

The goal of the Investment Development Branch is to strengthen Saskatchewan's economy through secondary industry expansion. To do this, the branch encourages investors to expand or establish businesses in Saskatchewan.

Providing services to investors

In order to cover the wide scope of potential investors, the branch works to attract two types of clients. First, it encourages Saskatchewan entepreneurs to invest within the province. And second, it promotes Saskatchewan to out-of-province investors.

To both types of investors, the branch provides a variety of assistance, including business advice, a co-ordinating service, referrals to information sources, and direction to other government assistance programs. It also acts as a liaison between department clients and any relevant government departments or agencies, and it advises clients of any relevant regulatory laws.

The branch also carries out some client-department cost-shared studies on markets and feasibility of projects. These studies are funded by the Policy and Planning Branch.

Increasing promotion

In 1983/84 the Investment Development Branch increased the government's investment promotional activity. It helped develop publications and produced a variety of Opportunity Profiles which detail areas of industrial opportunity in the province.

Contacting 2,500 potential investors

The branch took an aggressive approach to out-of-province, North American investment this fiscal year, using advertising, direct mail and personal contact.

Through this effort, as well as through on-going sales calls throughout the year, the branch contacted 2,500 potential out-of-province investors. Because of the very competitive nature of the market, and because of the time it takes investors to make these major decisions, a high number of contacts was essential.

A limited number of prospects contacted over the years were also from countries outside of North America.

Testing Hong Kong's potential

The uncertainty of Hong Kong's political future has meant a drastic increase in the number of investment inquiries from this area of the world. As a result, the federal government has set up the Entrepreneurial Immigration Program, a project which encourages qualified entrepreneurs to emmigrate to Canada. The branch has been assigned to co-ordinate provincial interests in this program.

Working toward a promising future

Because of the national and world-wide competition for investors, it takes a tremendous number of contacts before concrete results are seen. However, the branch feels its hundreds of new contacts will begin to pay off, as real investment opportunities are developed out of the many preliminary investigations.

Trade Development Branch

The Trade Development Branch develops and improves export activities and capabilities of Saskatchewan companies as a method of expanding and diversifying the province's economic base.

Providing a complete service to exporters

The branch offers a comprehensive service to Saskatchewan's established and potential exporters, including a market analysis service, counselling, statistics, liaison with federal trade agencies, and a variety of publications.

It also educates Saskatchewan companies on the importance and benefits of exporting, to encourage them to investigate new or expanded opportunities. Another function is to generally work to improve the international export environment.

The Trade Development Branch employs officials in Regina, the U.S., Hong Kong, and the United Kingdom, who work to promote Saskatchewan's exports.

Assisting manufacturers financially

Under the branch's Aid to Trade Program, many Saskatchewan firms can receive financial assistance for their export marketing activites. To qualify, a firm must introduce new products to the export market, or develop new markets for existing products/technologies.

The assistance provided covers the costs of travel for trade missions, and the cost of space rented at trade fairs. The program will also share in the costs of market research, product promotion, bringing in potential buyers, shipping samples, and other approved marketing activities.

In this fiscal year, 447 projects received funding, for an average of $772.66 per project. This was up from 392 projects the previous year, under the former Industry and Commerce department.

Active in the foreign market

The 1983/84 fiscal year saw the Trade Development Branch participate in — or initiate — a wide variety of trade activities intended to assist Saskatchewan exporters. It was directly involved, for example, in 13 trade shows, from Australia, to North America, to Europe. In addition, assistance was provided for trade missions to the Asia-Pacific Region, Soutn America and Europe.

As well, the branch helped with the trade aspects for the Premier's Brazilian and Chinese trips.

Serving business at home

The branch was involved in a variety of activites at home, including the co-sponsoring of a CIDA seminar with the federal Department of Regional and Industrial Expansion. The event provided information on market opportunities in English-speaking Africa.

Another seminar was also co-sponsored, this time with Massey Ferguson, in Regina on December 1. It provided short-line equipment manufacturers information on export opportunities in Third World countries.

An international marketing project was co-sponsored at the University of Saskatchewan, in Saskatoon. It offered students and corporate sponsors some experience in the export marketplace, by having students set up plans for marketing the companies' products in the Midwest U.S.

The branch played a major role in the sixth annual Western Canada Farm Progress Show, held in June in Regina. As well as hosting a reception for Saskatchewan manufacturers and international visitors, Trade Development also worked closely with the federal Department of Regional and Industrial Expansion to attract incoming buyers to the show from North America, the Pacific Rim, Europe, and South America.

The branch was involved in a number of publications this year, including the 13th consecutive edition of the Saskatchewan Implement Buyer's Guide.

Promoting exports

One of the highlights of the fiscal year was the first-ever federal/provincial Export Trade Month, staged to promote the importance of exports to Saskatchewan's economy. As part of this project, a seminar was co-sponsored in Regina with the Japanese Trade Council, and World Bank Conference was held in Saskatoon.

In addition to its work with the federal government, the branch sponsored its own awards program. An award banquet was held October 20 and a total of eight Saskatchewan firms were recognized for their export achievements.

Developing trade policy

The branch closely monitors foreign and domestic activites which could have an impact on Saskatchewan exports. The branch represents the province in federal/provincial and interprovincial forums in which Canadian trade policy initiatives have been developed. Some examples: preparation of a Canadian Trade Policy for the 1980s; consultations on Canada/United States sectoral trade liberation; discussions on the General Agreement on Tariffs and Trade; preparations for multilateral trade negotiations; and development of bilateral trade relations with a number of countries including the United States, Japan, China, and the European community.

Major Projects Branch

Early in the year, the Government of Saskatchewan adopted the Major Project Procurement Policy. This policy is the driving force behind the work of the Major Project Branch — and is one of the exciting new vehicles for economic growth in Saskatchewan.

The policy sets out a far-reaching mandate for the branch. It is designed to:

- increase the benefits that Saskatchewan people receive from **major** industrial projects in Saskatchewan;
- increase the markets for Saskatchewan-made products;
- encourage investment by telling manufacturers about the products and technology available in Saskatchewan.

In carrying out this mandate, the branch promotes the use of Saskatchewan goods and services in all phases of large-scale projects. It also helps potential suppliers secure business from major projects.

In addition, the branch monitors large projects available outside of Saskatchewan, and informs Saskatchewan suppliers of the opportunities available from these projects.

Developing a major projects inventory

The first step the branch took this year to bring project sponsors and suppliers together was to compile information on all major projects in the province — that is, projects valued at $10 million or more, which were already underway or in the planning stage.

The result was a new publication, the Major Projects Inventory, which was distributed to over 2,000 businesses in Saskatchewan. The inventory provided an overview of each project, including its estimated costs, construction timeline, and labour demand. In total, it detailed 43 projects valued at over $4 billion. The inventory will be updated on a regular basis.

During the year, the branch also began preparing the Industrial Benefits Bulletin. Developed in co-operation with Saskatchewan Tourism and Small Business, the bulletin will advise suppliers what the major projects are, and how to sell to them. It will also tell the developers who the suppliers are. The Industrial Benefits Bulletin will be distributed to the Saskatchewan business community on a quarterly basis, starting in 1984/85.

Building links with project developers

To help build support for the procurement policy, the branch initiated discussions with several major project developers throughout the year. Whenever possible, the branch asked these representatives from both the public and private sectors to sign a letter of intent to work with the branch.

In addition, several major project developers assigned a project officer from their firms to work with the branch. This willingness reflects the spirit in which the department is working with project sponsors.

Planning for the future.

As the fiscal year drew to a close, plans for several studies were on the drawing board. The studies are to determine the long-term impact major projects will have on Saskatchewan's economic growth.

Also at year end, the branch was reviewing its consultations practices — to make sure that the proper lines of communication are maintained between project developers, government departments and agencies, Saskatchewan manufacturing and service firms, and trade and industry associations.

It is through these on-going relationships that Saskatchewan people receive as many benefits — short term and long term — as possible from major projects in Saskatchewan.

Promotions and Communications Branch

The key purpose of the Promotions and Communications Branch is to communicate information between the department and the many publics it serves, in Saskatchewan and around the world.

Co-ordinating messages for many audiences

Because Economic Development and Trade is a highly-specialized department, its messages must be carefully targeted. For that reason, Promotions and Communications has defined its main audiences as: Saskatchewan, Canadian and foreign investors; foreign governments and businesses; Saskatchewan exporters and other business people.

The primary messages communicated to these audiences are:
- Saskatchewan's excellence as an investment site;
- Saskatchewan's quality as a trading partner;
- the government's assistance to Saskatchewan exporters;
- opportunities for manufacturers to benefit from major development projects.

The branch also has a heavy responsibility to the general public. It informs the public about the department's activities, through a variety of communication means.

Serving other branches

Major communications needs start with the department's branches. Promotions and Communications works with them, developing effective communications strategies and projects, and ensuring professional formats.

Applying a range of communication tools

Because each communication need is different, the branch utilizes a variety of methods — and gets involved in a host of activities — to get the specific message across. These include:
- planning advertising strategies;
- implementing these strategies through the department's ad agency;
- developing print material — booklets, pamphlets, brochures, newsletters and the department's annual report;
- developing audio-visual material;
- creating display material for exhibits;
- supervising the production of print, audio/visual and display material;
- writing, releasing and monitoring the coverage of news releases;
- preparing speeches;
- co-ordinating events such as seminars, receptions and awards nights;
- planning itineraries for incoming delegations and ministerial trade missions;
- evaluating the effectiveness of communication programs;
- acting as a communications consultant to other branches.

Developing a broad communications plan

The highlight of achievements this fiscal year was the preparation of a comprehensive communications plan, a first for the department. The plan defines long-term communication goals for the department, developed in conjunction with each branch. It also specifies strategies for achieving them.

Achieving communication "firsts"

This fiscal year saw the development and production of a variety of new department materials — including an Oilfield Directory, which listed service firms and manufacturers for the oilfield sector; a Saskatchewan Profile overview, and The Saskatchewan Promise, a booklet that describes the economic and quality-of-life advantages of locating business investments in Saskatchewan.

Promotions and Communications issued some 30 news releases, and handled approximately 1,000 information inquiries from the public during the fiscal year. The branch also worked closely with the Saskatchewan Chamber of Commerce to co-ordinate a trade/investment mission to London.

Policy and Planning Branch

The Policy and Planning Branch provides the department with research and development support.

Whether it's targeting priority areas for investment, studying initiatives to attract industry, or providing data on investment and export opportunities, the branch develops ideas which assist Saskatchewan exporters and which make Saskatchewan a more attractive place to locate a business.

Investigating a wide range of issues

This fiscal year, the branch was involved in major studies in a number of sectors, so that new initiatives can later be developed to aid and attract industry. The branch:

- looked at resource, manufacturing and processing sectors;
- reviewed the steel and red meat industries;
- worked with other provincial government departments to review and bring about a more equitable tax structure for the greenhouse industry;
- contributed to a federal task force on the petrochemicals industry, and the Forest Industries Development Committee;
- assisted in the establishment of the Saskatchewan Council of Independent Forestry Industry;
- undertook several economic impact studies.

As well, it began implementing suggestions from previous studies on metal fabricating and computer services industries.

The branch also worked on issues which a number of industries share in common. Among these issues were northern land tenure policy, energy pricing, manpower needs, tourism development and changes in the Crow's Nest Pass Agreement.

Assisting in a number of programs

Throughout the year, the Policy and Planning Branch reviewed several federal government economic development programs — including the new Industrial and Regional Development Program. It also assisted in developing the new Canada/Saskatchewan Economic and Regional Development Agreement, and the Industrial Incentive Program for manufacturers and processors.

The branch drafted the Major Project Procurement Policy this past year which was approved by the government and is being implemented by the Major Projects Branch.

The branch also helped two provincial government committees on economic development identify constraints to Saskatchewan's development, and set a number of priorities for improving the province's investment climate.

Sharing costs of studies

The branch operated a cost-shared market/feasibility study program during the year. Of the 51 studies undertaken worth $710,000, 21 were cost-shared with various entrepreneurs. The market potential for specific products, sectoral analyses, as well as investment opportunities, were key elements of in-depth studies.

Developing investor information

The branch's newly-developed Investor Information Service is a data base which contains 250 pages of site location information on key factors such as wage rates, taxation, and land availability. During the fiscal year, the data base was used to prepare custom-tailored information packages for 76 investors in Canada and around the world. It was also used to prepare 96 information packages for trade commissioners, banks and other people who advise potential investors.

General profiles on various investment opportunities in Saskatchewan were also assembled during the year. These 10 profiles outlined opportunities in minerals, chemicals, and other sectors and also dealt with a wide range of specific products.

Providing services to investors and exporters

The branch updated three statistical publications of interest to investors and exporters: Handbook of Selected Statistics on Saskatchewan Trade; Guide to Statistical Sources of Information on Saskatchewan; Investor's Handbook of Selected Statistics on Saskatchewan.

It also answered numerous direct investment and export enquiries, supplying a wide range of information — including market data, economic forecasts, and demographic indicators.

Continuing regulatory activities

In the past 12 months, the Policy and Planning Branch received 45 applications under The Foreign Investment Review Act, and directed Saskatchewan's position on each application to the federal government. The branch also participated in the Environmental Impact Assessment Review panel, which heard nine cases during the year.